

**MINUTES OF THE GENERAL MEETING  
OF THE BIGFORK COUNTY  
WATER AND SEWER DISTRICT**

The general meeting of the Bigfork County Water and Sewer District was held on September 14, 2016 at the District office.

**ATTENDEES:**

*Directors: Bob Keenan, Seth Price, Tom Cahill, Gene Helberg and (by phone) Duke Phelps*

*District Employees: Julie Spencer, Andy Loudermilk and Vickie Hemphill*

*Engineering: Jeff Cicon from Morrison Maierle*

*Other Attendees: Robert Millspaugh from Flathead Lake Brewery*

*Jolene Bradstreet, Tom Lund & Kevin Vralsted with Rocky Mountain Bank*

*LaMont Kinkade, from Dean & Leininger Real Estate*

**READ AND APPROVE MINUTES:**

President Keenan opened the meeting at 7:00 p.m. The minutes of the August Board Meeting were reviewed for approval. Helberg made a motion to approve, Cahill seconded and Keenan called for discussion. Several items were noted, but no changes were made. Hearing no more discussion, a vote was called and it was unanimously

*RESOLVED*, That the minutes for the August 2016 Board Meeting be approved as submitted.

**AGENDA - ADDITIONS OR CHANGES**

Keenan requested the Investment Committee report be moved before Public Comment to give the visiting bankers the floor at the beginning of the meeting. There were no objections.

**CONSENT AGENDA**

President Keenan called for questions about the consent agenda and, hearing none, called for a motion to approve. Cahill moved, Helberg seconded and it was unanimously

*RESOLVED*, That all items on the Consent Agenda for the September 2016 meeting be approved.

**COMMITTEE REPORT *District Investments* ..... Price & Phelps**

Rocky Mountain Bank returned to discuss various banking options for the District. Jolene Bradstreet addressed the Board and introduced Tom Lund who is a Loan Officer from the Kalispell branch, and Kevin Vralsted from the Billings office who is the cash management specialist. Vralsted distributed proposals and discussed the overview. His goal for the District was FDIC protection, better interest rates and lower fees. To this end he recommended the cash operating account be set up with up to \$250,000 with the balance of funds divided into other programs. The auditor, Bob Denning, declined an investment recommendation letter because it would constitute management advice, but did say that other districts use Laddered CDs and CDARS and both were allowable. According to Vralsted, the two best ways to go would be either Laddered CD's or a Cash Sweep. Laddered CD's have an average of 70 basis points (.7% yield) and are structured to cover needed liquidity. Cash Sweep (repurchase) has 10 basis points (.1% yield) but funds are liquid. Other items discussed were the cash management fees for

customer ACH and payroll depositing at the monthly costs of \$40 dollars for business banking, plus \$18 for the ACH module and .10 per ACH item. He also offered free checking with E-statements. Using a list of District vendors he noted that using a credit card with 1% rebate would net a return of approximately \$6,000 annually which would offset the ACH Cash Management fees.

**PUBLIC COMMENT** – no public comment.

## **OLD BUSINESS**

*Engineering update, Jeff Cicon* – A written engineering report was provided and included in the Consent Agenda

- *Standpipe Supply Line and Lakeview Care Center main* – the low bidder for the project was LHC, Inc whose bid came in at \$201,061.20. This was below the engineer's estimate of \$206,000. References were checked and there was discussion about possible concerns and recourse with the project. Cicon will manage the project; C.R. Leisinger will be the field inspector. A preconstruction conference will be held with contractors and the construction committee may attend as well as a representative from Lake Hills Care Center and possibly Joe Pastor.

A letter from Morrison Maierle to Joe Pastor detailing Pastor's terms for granting an easement was discussed and presented to the board for approval and signature. These terms are included in the construction contract with LHC. Helberg made a motion to accept Pastor's terms; Cahill seconded and it was unanimously

*RESOLVED*, That the conditions in the letter of agreement with Joe Pastor be approved and signed to establish easement for the project. The letter along with the easements will be delivered to Pastor for signature.

The care center has a list of requests that are being reviewed. There was discussion about the asphalt requests and what could be offered that would be satisfactory. The consensus was to possibly seal coat the parking lot after the asphalt work for uniform color.

Cicon recommended awarding the contract bid to LHC Construction. Cahill made a motion to award; Price seconded and it was unanimously

*RESOLVED*, That the Standpipe Line and Lakeview Care Center main be awarded to LHC Construction for \$201,061.20.

*Task Order Amendment* – Amendment 1 to task Order #28 was presented for approval. This amendment adds the engineering and project management costs for the Rest Home Main and Stand Pipe Addition. Cahill moved; Helberg seconded and it was unanimously

*RESOLVED*, That Amendment 1 to Task Order #28 be amended to add the Rest Home Main and Stand Pipe Addition to the Task Order already in place.

- *Water Tank & Transmission Line and Access Easement* – No updates.
- *Ramsfield Water Rights Wells 3 & 4* – No updates.
- *North & South Eagle Bend Lift Stations* – Five bids were accepted on the Eagle Bend Lift Stations project. The low bidder for the project was Diamond Construction from Helena who came in with a base bid of \$489,360; adding in Alternate A for installment of the generator for the South Lift Station, their total bid was \$497,985. The District will purchase the generator separately instead of

through the project. Doing it this way will allow the District to join a program that gives districts a discount; additionally there would not be a contractor markup. The engineering estimate of \$528,912 on the project included purchase of the standby generator on the South Lift Station, so bids came in lower than the engineering estimate.

The project manager, Marty Logan has experience with lift stations and his resume and references all checked out well. There was discussion of history with the contractor but Cicon will be managing the project and feels comfortable about handling issues that might arise. There was discussion about the time line for materials and work. Cicon recommended awarding the bid to Diamond Construction. Price made a motion to approve; Cahill seconded and it was unanimously

*RESOLVED*, That the North & South Eagle Bend Lift Stations projects be awarded to Diamond Construction for the total bid price of \$497,985.

## **NEW BUSINESS**

The October meeting will need to be rescheduled because Julie will be unable to attend on October 12, 2016. The meeting was moved to October 10, 2016.

## **COMMITTEE REPORTS**

*Annexation, Main Extensions & Construction ..... Helberg & Cahill*

The National Joint Powers Alliance Membership Agreement was signed.

*District Investments ..... Price & Phelps*

The banking issue was discussed further. After meeting with the local banks, the committee recommended switching to Rocky Mountain Bank in Bigfork. There was disagreement about whether to move all funds to Rocky Mountain Bank right away or leave operating cash at First Interstate temporarily to ease the transition. Another option was presented, to leave all funds at First Interstate for the remainder of the 90 day grace period. After discussion, Price made a motion to move all but \$150,000 from First Interstate to Rocky Mountain Bank; Phelps seconded; a vote was called: Helberg opposed but the motion carried with four aye votes and it was

*RESOLVED*, That all funds be moved to Rocky Mountain with the temporary exception of \$150,000 operating cash to be moved in the near future.

*Employee Insurance Compensation & Certification..... Helberg & Keenan*

Employee Handbook Approval with Job Descriptions – no action, but efforts will be made to review the job descriptions before the October meeting.

*Pretreatment Regulations ..... Cahill & Price*

Robert Millsbaugh reported that the equipment to retrofit the Brewery's wastewater equipment had been approved and ready for purchase with a 3-4 week lead time. The Brewery is using a designer with 17-18 years' experience with brewery waste issues. Millsbaugh said he would obtain the drawings and the Board asked Cicon to look them over.

*Budget & Rate Structure ..... Helberg & Phelps*

New sewer funds were created by the auditor that reorganize the budget, but have a net zero effect on the funds. Approval by the directors was requested to change the accounts, so Phelps moved, Cahill seconded and it was unanimously

*RESOLVED*, That the new sewer funds be approved.

**Rules & Regulations** ..... *Cahill & Price*

In progress but not complete.

**Farmland**..... *Helberg & Loudermilk*

Helberg noted that the farmer was going to plant winter wheat but the farm contract will expire at the end of the year. He requested a meeting with the farmer, Julie and Andy to discuss getting the irrigation in place. He recommended irrigation equipment be ordered in the near future to get it installed in time to put the water right to beneficial use. He also asked that the new contract be amended to change seeding/injecting/fallowing ratios so a larger section of land would be farmed each year.

## **COMMUNICATIONS**

*City of Kalispell* – A copy of letter to the Montana DEQ from Susie Turner, the Public Works Director of Kalispell, was included in the September Board package. The letter addresses concerns about a new designation that MDEQ has been considering for Flathead Lake referred to as “Unique Scenic Beauty” that would create possibly unattainable limits on discharge. Turner requested the DEQ “not rush into adoption” of this designation until the matter is reviewed by other agencies, specific questions answered and true costs to communities has been studied.

Keenan called for a motion to adjourn the meeting. Cahill motioned, Price seconded and it was unanimously

RESOLVED that the public meeting be adjourned at 7:51p.m.

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Secretary, Vickie D. Hemphill

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President, Robert Keenan